

Message Text

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DEPT PASS STR AND AGRICULTURE

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SUBJECT: EC STATEMENT ON AGRICULTURE IN FEBURARY 11 TNC MEETING

1. FOLLOWING IS THE TEXT OF THE EC STATEMENT ON AGRICULTURE
MADE IN THE FEBURARY 11 TNC MEETINGS:

QUOTE:

(A) THE TOKYO DECLARATION MENTIONS THE "SPECIAL
CHARACTERISTICS AND PROBLEMS IN THIS SECTOR."
THE RECENT DEVELOPMENTS IN PRODUCTION AND TRADE
DEMONSTRATE THAT THE ECONOMICS OF AGRICULTURE ARE BY NATURE
SUBJECT TO VARIATIONS-ESPECIALLY IN PRODUCTION-WHICH IN
TURN LEAD TO VARIATIONS ON THE WORLD MARKETS AND THEREFORE
IN TRADE. THIS IS AN ESSENTIAL CHARACTERISTIC OF THE
"SPECIFICITY" OF THE AGRICULTURAL SECTOR.

(B) HAVING THIS IN MIND, THE EEC CONSIDERS THAT THE
APPROACH TO THE NEGOTIATIONS SHOULD AIM PRIMARILY TO CREATE
-WHILE RESPECTING EXISTING POLICIES-THE CONDITIONS
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FOR A BETTER ADAPTED SUPPLY, WHICH WOULD MAKE POSSIBLE

AN EVOLUTION OF WORLD MARKETS MORE SATISFACTORY BOTH TO IMPORTERS AND EXPORTERS.

(C) IN PRACTICE, THIS MEANS IN OUR OPINION A SERIES OF COMPLEMENTARY ACTIONS WHICH CAN BE SUMMED UP AS FOLLOWS:

(I) FIRST, IN ORDER TO FACILITATE AN ORIENTATION OF RESOURCES OF PRODUCTION WHICH COULD BE ADEQUATE TO THE FORESEEABLE EVOLUTION IN CONSUMPTION, THE EEC CONSIDERS IT ESSENTIAL THAT WE ENGAGE IN A SYSTEMATIC AND REGULAR EXCHANGE OF INFORMATION, ON THE BASIS OF WHICH A PERIODICAL ANALYSIS OF THE SITUATION COULD BE UNDERTAKEN IN COMMON, SO THAT EACH GOVERNMENT CAN DRAW FOR ITSELF THE NECESSARY INDICATIONS FOR THE CONDUCT OF ITS OWN POLICY.

THE WORLD FOOD CONFERENCE HAS RECOGNIZED THE NEED TO REINFORCE THE EXISTING MECHANISM. THE EEC CONSIDERS THAT ALL PARTICIPANTS TO THESE NEGOTIATIONS SHOULD COMMIT THEMSELVES TO COLLABORATE IN THE IMPLEMENTATION OF THESE RESOLUTIONS.

(II) SECONDLY, THE MAIN PRODUCTS WHICH ARE ESSENTIAL FOR HUMAN FOOD CONSUMPTION AND WHICH ARE DETERMINING FACTORS IN MAINTAINING A BALANCE IN THE AGRICULTURAL SECTOR, - SUCH ARE CEREALS, RICE, SUGAR AND THE MOST HOMOGENEOUS DAIRY PRODUCTS - WE BELIEVE THAT INTERNATIONAL AGREEMENTS SHOULD BE NEGOTIATED. THEIR MECHANISMS, WHICH WOULD HAVE TO BE ADAPTED TO THE CHARACTERISTICS OF THE MARKET FOR EACH PRODUCT, SHOULD BE GEARED TO PREVENT THE INEVITABLE IMBALANCES OF THE MARKET DUE TO THE INHERENT FLUCTUATIONS IN PRODUCTION.

THESE MECHANISMS SHOULD, IN APPROPRIATE CASES, COVER A CONCERTED STOCKPILING POLICY WHICH, WHILE FACILITATING THE IMPLEMENTATION OF FOOD AID PROGRAMS, WOULD AIM AT ABSORBING QUANTITIES IN EXCESS OR, IN CASE OF SHORTAGE, AT MAINTAINING AN ADEQUATE SUPPLY OF THE MARKET.

THESE MECHANISMS SHOULD BE ACCOMPANIED BY A PRICE PROVISION, THE STABILIZING FUNCTION OF WHICH WOULD BE STRENGTHENED BY THE STOCKPILING POLICY. ON THE OTHER HAND, THE PRICE PROVISIONS WOULD, IN CERTAIN RESPECTS, PLAY A

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ROLE IN TRIGGERING STOCKPILING OR DESTOCKING ACTIONS.

(III) FOR OTHER IMPORTANT PRODUCTS WHICH DO NOT SEEM LIKELY TO BECOME THE SUBJECT OF INTERNATIONAL AGREEMENTS, WE BELIEVE CONCERTED DISCIPLINES SHOULD BE NEGOTIATED BETWEEN EXPORTERS AND IMPORTERS, SO AS TO ENSURE THAT THE OPERATIONS ON THE WORLD MARKET ARE CONDUCTED IN AN ORDERLY MANNER.

(IV) FINALLY, FOR PRODUCTS WHICH ARE PROTECTED BY
TARIFFS, WE THINK RECIPROCAL TARIFF REDUCTIONS WILL HAVE
TO BE NEGOTIATED.

(D) ALL THIS PROVES, MAY I MENTION IN PASSING, THAT
CONTRARY TO WHAT SOME MAY SAY OR THINK THE EEC DOES NOT
ENVISAGE EXCLUSIVELY TO NEGOTIATE INTERNATIONAL AGREE-
MENTS. WE DO NOT EXCLUDE FROM OUR APPROACH ANY OF THE PRODUCTS
CONTAINED IN THE 24 FIRST CHAPTERS OF THE BRUSSELS TARIFF
NOMENCLATURE. THE TOKYO DECLARATION STATES IN ITS
PARAGRAPH 4 THAT THE NEGOTIATIONS SHALL COVER ALL
PRODUCTS: WE REMAIN FAITHFUL TO THAT TEXT.
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